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December 23, 2014

Donna Thompson
Chief Executive Officer
Access Community Health Network
600 W. Fulton #200
Chicago, IL 60661

Re: Notice of Contract Noncompliance ACE Contract #2014-24-002

Dear Ms. Thompson,

This letter serves as notification to HealthCura that the Illinois Department of Healthcare and Family Services (Department) has determined that HealthCura has not met its provisional readiness review requirements and, accordingly, has reached its maximum auto assignment enrollment capacity of the Contract for Care Coordination Services under the Accountable Care Entities (ACE) Program, ACE Contract #2014-24-002. As a result, the Department is limiting HealthCura's enrollment level through auto assignment by discontinuing auto assignment for HealthCura's ACE program statewide effective immediately.

In an e-mail from the Department to HealthCura on Friday, September 26, 2014, HealthCura was notified that enrollment of members had been approved in response to the initial Readiness Review process. However, HealthCura was notified in that same e-mail that continuing approval of enrollment was subject to ongoing monitoring of the following areas: 1) care model staffing capacity and training, 2) monitoring of care coordination activities through record reviews, 3) member call center capacity and metric reporting, 4) provider network capacity, and 5) IT capabilities as enrollment increases and/or expansion into additional counties/service areas. HealthCura has failed to address the care model staffing capacity and training and IT capabilities as enrollment increases. HealthCura, thus, has not complied with the Department's provisional readiness review approval and the Department has determined that HealthCura has reached its maximum auto assignment enrollment level.

Additionally, HealthCura has failed to retain the necessary employees described below. HealthCura is therefore unprepared to take on additional enrollment through the Auto-Assignment process.

The Department has communicated its concerns to HealthCura's leadership. These concerns have not been adequately addressed despite verbal reassurances from HealthCura's leadership.

The Department shall continue to work with you as you address the following outstanding issues:

- **Implementation of a Predictive Modeling Software for Risk Stratification per Section 5.7.4.1 and 5.7.4.1.2 of the Contract.** During a conference with HealthCura/HFS and HSAG on 12/22/14, HealthCura staff identified that the ACE has not yet implemented the risk stratification software and therefore is unable to risk stratify enrollees using the Enrollee claims/utilization data from HFS. The time frame for implementation was identified as January 2015. The HealthCura Project Plan uploaded to the HSAG FTP on September 2, 2014 identified that the John Hopkins Adjusted Clinical Group (ACG) System software was "finished" and dated October 17, 2014. Implementation of the predictive modeling ACG software was considered a Critical Element during the ACE pre-implementation readiness review. HSAG had previously approved this Critical Element on September 6, 2015 based on discussions with HealthCura and the documentation on the HealthCura Project Plan and the Care Coordination Program description. Until this risk stratification software is implemented, HealthCura is not prepared to handle increased auto assignment enrollment.

- **Retaining a full-time Medical Director per Section 5.3.2.4 of the Contract.** HealthCura's full-time equivalent (FTE) for its Medical Director shall be, at a minimum one-quarter time for an ACE with 10,000 Enrollees and full-time (1.0 FTE) for an ACE with 20,000 or more Enrollees. HealthCura achieved enrollment of more than 20,000 on 12/19/2014. The staffing plan submitted on 12/5/14 indicated that the Medical Director was 0.1 FTE and three-year staffing plan submitted on 12/5/14 had the Medical Director FTE allocation of 0.5 FTE from 0-18 months. This is insufficient to handle increased auto assignment enrollment.
- **Establishment of policies for the appropriate assignment of Care Coordinators per Section 5.7.5.1 of the Contract.**
 - Enrollees with higher level needs must be assigned Care Coordinators with clinical backgrounds and a review of the staffing grid indicated staff without the required qualifications was assigned to high and medium risk enrollees.
 - In some cases, degrees were not associated with relevant clinical fields as identified in the contract requirements and the HealthCura job descriptions.
 - It is unclear how the staffing allocation across multiple sites is monitored and how the HealthCura enrollees will obtain care management and care coordination services as outlined in the HealthCura contract. For example, staff was assigned a 0.1 FTE allocation across multiple practice sites, in some cases as many as 8 individual sites.
 - The care coordination positions identified in the staffing grid do not align with the existing job descriptions outlined in the HealthCura Care Model Staffing plan. In addition the HealthCura position descriptions included an Intensive Care Manager position; however, this position was not identified in the HealthCura staffing grids.

Pursuant to ACE Contract Section 4.1: Enrollment Generally and Section 4.19: Readiness Review, the Department has the authority to determine enrollment capacity and limit enrollment for HealthCura's ACE program. Therefore, auto assignment will be discontinued effective immediately and will not be resumed until HealthCura has demonstrated to the Department, and received written confirmation from the Department, that HealthCura is in full compliance with the Department's requests in this letter.

If you have questions regarding this decision by the Department, please contact me directly at 312-793-5279.

Sincerely,



Robert Mendonza,
Deputy Administrator
Healthcare & Family Services

cc: Julie Hamos, Director, HFS
James Parker, Administrator, HFS
Jeanette Badrov, General Counsel, HFS
Michelle Maher, Bureau Chief, Managed Care, HFS
Bridget Larson, ACE Program Manager, HFS